

By: Zedler

H.B. No. 1395

A BILL TO BE ENTITLED

AN ACT

relating to the authority of chiropractors to form certain business entities with certain other professionals.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Sections C and D, Article 2.01, Texas Non-Profit Corporation Act (Article 1396-2.01, Vernon's Texas Civil Statutes), are amended to read as follows:

C. Doctors of medicine and osteopathy licensed by the Texas State Board of Medical Examiners, ~~and~~ podiatrists licensed by the Texas State Board of Podiatric Medical Examiners, and chiropractors licensed by the Texas Board of Chiropractic Examiners may organize a non-profit corporation under this Act that is jointly owned, managed, and controlled by those practitioners to perform a professional service that falls within the scope of practice of those practitioners and consists of:

(1) carrying out research in the public interest in medical science, medical economics, public health, sociology, or a related field;

(2) supporting medical education in medical schools through grants or scholarships;

(3) developing the capabilities of individuals or institutions studying, teaching, or practicing medicine, including podiatric medicine;

(4) delivering health care to the public; or

1 (5) instructing the public regarding medical science,
2 public health, hygiene, or a related matter.

3 D. When doctors of medicine, osteopathy, ~~and~~ podiatry,
4 and chiropractic organize a non-profit corporation that is jointly
5 owned by those practitioners, the authority of each of the
6 practitioners is limited by the scope of practice of the respective
7 practitioners and none can exercise control over the other's
8 clinical authority granted by their respective licenses, either
9 through agreements, articles of incorporation, bylaws, directives,
10 financial incentives, or other arrangements that would assert
11 control over treatment decisions made by the practitioner. The
12 Texas State Board of Medical Examiners, ~~and~~ the Texas State Board
13 of Podiatric Medical Examiners, and the Texas Board of Chiropractic
14 Examiners continue to exercise regulatory authority over their
15 respective licenses.

16 SECTION 2. Section 2(B), Texas Professional Association Act
17 (Article 1528f, Vernon's Texas Civil Statutes), is amended to read
18 as follows:

19 (B) Licenses. (1) Except as provided by this subsection,
20 all members of the association shall be licensed to perform the type
21 of professional service for which the association is formed.

22 (2) Doctors of medicine and osteopathy licensed by the
23 Texas State Board of Medical Examiners, ~~and~~ podiatrists licensed
24 by the Texas State Board of Podiatric Medical Examiners, and
25 chiropractors licensed by the Texas Board of Chiropractic Examiners
26 may form an association that is jointly owned by those
27 practitioners to perform a professional service that falls within

1 the scope of practice of those practitioners.

2 (3) Professionals, other than physicians, engaged in
3 related mental health fields such as psychology, clinical social
4 work, licensed professional counseling, and licensed marriage and
5 family therapy may form an association that is jointly owned by
6 those practitioners to perform professional services that fall
7 within the scope of practice of those practitioners.

8 (4) When doctors of medicine, osteopathy, ~~and~~
9 podiatry, and chiropractic, or mental health professionals form an
10 association that is jointly owned by those practitioners, the
11 authority of each of the practitioners is limited by the scope of
12 practice of the respective practitioners and none can exercise
13 control over the other's clinical authority granted by their
14 respective licenses, either through agreements, bylaws,
15 directives, financial incentives, or other arrangements that would
16 assert control over treatment decisions made by the practitioner.
17 The state agencies exercising regulatory control over professions
18 to which this subdivision applies continue to exercise regulatory
19 authority over their respective licenses.

20 SECTION 3. Section A(3), Article 11.01, Texas Limited
21 Liability Company Act (Article 1528n, Vernon's Texas Civil
22 Statutes), is amended to read as follows:

23 (3) Doctors of medicine and osteopathy licensed by the
24 Texas State Board of Medical Examiners, ~~and~~
25 by the Texas State Board of Podiatric Medical Examiners, and
26 chiropractors licensed by the Texas Board of Chiropractic Examiners
27 may organize a professional limited liability company that is

1 jointly owned by those practitioners to perform a professional
2 service that falls within the scope of practice of those
3 practitioners. When doctors of medicine, osteopathy, ~~and~~
4 podiatry, and chiropractic organize a professional limited
5 liability company that is jointly owned by those practitioners, the
6 authority of each of the practitioners is limited by the scope of
7 practice of the respective practitioners and none can exercise
8 control over the other's clinical authority granted by their
9 respective licenses, either through agreements, bylaws,
10 directives, financial incentives, or other arrangements that would
11 assert control over treatment decisions made by the practitioner.
12 The Texas State Board of Medical Examiners, ~~and~~ the Texas State
13 Board of Podiatric Medical Examiners, and the Texas Board of
14 Chiropractic Examiners continue to exercise regulatory authority
15 over their respective licenses.

16 SECTION 4. Section 2.02(e), Texas Revised Partnership Act
17 (Article 6132b-2.02, Vernon's Texas Civil Statutes), is amended to
18 read as follows:

19 (e) Authority of Doctors of Medicine, ~~and~~ Osteopathy, and
20 Chiropractic, and Podiatrists to Create Partnership. Doctors of
21 medicine and osteopathy licensed by the Texas State Board of
22 Medical Examiners, ~~and~~ podiatrists licensed by the Texas State
23 Board of Podiatric Medical Examiners, and chiropractors licensed by
24 the Texas Board of Chiropractic Examiners may create a partnership
25 that is jointly owned by those practitioners to perform a
26 professional service that falls within the scope of practice of
27 those practitioners. When doctors of medicine, osteopathy, ~~and~~

1 podiatry, and chiropractic create a partnership that is jointly
2 owned by those practitioners, the authority of each of the
3 practitioners is limited by the scope of practice of the respective
4 practitioners and none can exercise control over the other's
5 clinical authority granted by their respective licenses, either
6 through agreements, bylaws, directives, financial incentives, or
7 other arrangements that would assert control over treatment
8 decisions made by the practitioner. The Texas State Board of
9 Medical Examiners, ~~and~~ the Texas State Board of Podiatric Medical
10 Examiners, and the Texas Board of Chiropractic Examiners continue
11 to exercise regulatory authority over their respective licenses.

12 SECTION 5. Section 22.056, Business Organizations Code, is
13 amended to read as follows:

14 Sec. 22.056. HEALTH ORGANIZATION CORPORATION. (a)
15 Doctors of medicine and osteopathy licensed by the Texas State
16 Board of Medical Examiners, ~~and~~ podiatrists licensed by the Texas
17 State Board of Podiatric Medical Examiners, and chiropractors
18 licensed by the Texas Board of Chiropractic Examiners may form a
19 corporation that is jointly owned, managed, and controlled by those
20 practitioners to perform a professional service that falls within
21 the scope of practice of those practitioners and consists of:

22 (1) carrying out research in the public interest in
23 medical science, medical economics, public health, sociology, or a
24 related field;

25 (2) supporting medical education in medical schools
26 through grants or scholarships;

27 (3) developing the capabilities of individuals or

1 institutions studying, teaching, or practicing medicine, including
2 podiatric medicine;

3 (4) delivering health care to the public; or

4 (5) instructing the public regarding medical science,
5 public health, hygiene, or a related matter.

6 (b) When doctors of medicine, osteopathy, ~~and~~ podiatry,
7 and chiropractic form a corporation that is jointly owned by those
8 practitioners, the authority of each of the practitioners is
9 limited by the scope of practice of the respective practitioners
10 and none can exercise control over the other's clinical authority
11 granted by their respective licenses, either through agreements,
12 the certificate of formation or bylaws of the corporation,
13 directives, financial incentives, or other arrangements that would
14 assert control over treatment decisions made by the practitioner.
15 The Texas State Board of Medical Examiners, ~~and~~ the Texas State
16 Board of Podiatric Medical Examiners, and the Texas Board of
17 Chiropractic Examiners continue to exercise regulatory authority
18 over their respective licenses.

19 SECTION 6. Section 152.055, Business Organizations Code, is
20 amended to read as follows:

21 Sec. 152.055. AUTHORITY OF CERTAIN PROFESSIONALS TO CREATE
22 PARTNERSHIP. (a) Persons licensed as doctors of medicine and
23 persons licensed as doctors of osteopathy by the Texas State Board
24 of Medical Examiners, ~~and~~ persons licensed as podiatrists by the
25 Texas State Board of Podiatric Medical Examiners, and persons
26 licensed as chiropractors by the Texas Board of Chiropractic
27 Examiners may create a partnership that is jointly owned by those

1 practitioners to perform a professional service that falls within
2 the scope of practice of those practitioners.

3 (b) When doctors of medicine, osteopathy, ~~and~~ podiatry,
4 and chiropractic create a partnership that is jointly owned by
5 those practitioners, the authority of each of the practitioners is
6 limited by the scope of practice of the respective practitioners
7 and none can exercise control over the other's clinical authority
8 granted by their respective licenses, either through agreements,
9 bylaws, directives, financial incentives, or other arrangements
10 that would assert control over treatment decisions made by the
11 practitioner.

12 (c) The Texas State Board of Medical Examiners, ~~and~~ the
13 Texas State Board of Podiatric Medical Examiners, and the Texas
14 Board of Chiropractic Examiners continue to exercise regulatory
15 authority over their respective licenses.

16 SECTION 7. Sections 301.012(a) and (f), Business
17 Organizations Code, are amended to read as follows:

18 (a) Persons licensed as doctors of medicine and persons
19 licensed as doctors of osteopathy by the Texas State Board of
20 Medical Examiners, ~~and~~ persons licensed as podiatrists by the
21 Texas State Board of Podiatric Medical Examiners, and persons
22 licensed as chiropractors by the Texas Board of Chiropractic
23 Examiners may jointly form and own a professional association or a
24 professional limited liability company to perform professional
25 services that fall within the scope of practice of those
26 practitioners.

27 (f) When doctors of medicine, osteopathy, ~~and~~ podiatry,

1 and chiropractic, or doctors of medicine, osteopathy, and optometry
2 or therapeutic optometry, or mental health professionals form a
3 professional entity as provided by Subsections (a), (b), and (c),
4 the authority of each of the practitioners is limited by the scope
5 of practice of the respective practitioners and none can exercise
6 control over the other's clinical authority granted by their
7 respective licenses, either through agreements, bylaws,
8 directives, financial incentives, or other arrangements that would
9 assert control over treatment decisions made by the practitioner.

10 SECTION 8. (a) Except as provided by Subsection (b) of this
11 section, this Act takes effect September 1, 2005.

12 (b) Sections 5, 6, and 7 of this Act take effect January 1,
13 2006.